# Social and Relationship Capital

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## Our approach

### Guiding Factors

**Material Matters**

G1 | G2 | EC1 | EC2 | S4 | S5 | S6 | S7/EN3

**Strategic Pillars**

**UNSDGs**

4 QUALITY EDUCATION | 10 REDUCED INEQUALITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CelcomDigi places significant importance on strengthening relationships with everyone we interact with, including our customers, employees, suppliers, shareholders, and business partners. We believe that by doing so, we are building a brand that Malaysians can trust and rely on in the age of 'digital-everything'.

These relationships are essential to enhance CelcomDigi's ability to tap into future growth opportunities. Our efforts to advance digitalisation are aligned with the 12th Malaysia Plan (2021-2025) aspiration to increase national productivity and advance the digital economy.

CelcomDigi is also committed to ESG practices within our value chain to ensure that all stakeholders benefit in the long run. We aim to be recognised as the top practitioner of sustainability among corporate Malaysia.

### Key inputs in 2023

- Responsible business practices across our value chain
- Empowering suppliers through training
- Social impact programmes (digital safety, digital skills) and humanitarian efforts
- Inclusive connectivity options and digital offerings
- Regular engagement with stakeholders

### Outputs

- Trusted partner to the government, consumers, and businesses
- Upholding human rights across the value chain
- Managing our supply chain responsibly
- Empowering societies through nation-building initiatives

## Looking ahead

We observed that addressing ESG issues often requires a 'whole-of-society approach' to bring about significant improvements, which includes better alignment between the public and private sectors. As we move forward, we will strengthen our relationships with various government agencies, policymakers, academic and research institutions, business partners, social purpose organisations, and communities to create positive change. Utilising our core function as a facilitator of connectivity and digitalisation, we aspire to:

- Strengthen compliance procedures and protocols for transparency and adherence to regulatory standards
- Develop comprehensive training programmes and monitoring mechanisms to promote human and labour rights awareness
- Integrate sustainability practices and engage stakeholders to foster environmental responsibility

- Implement digital platforms for seamless training, inspection recording, and non-compliance reporting and tracking
- Establish a structured vendor development programme to empower suppliers and drive mutual growth
- Define value-based procurement strategies and metrics to prioritise quality, sustainability, and ethical standards

# Social and Relationship Capital

**Trusted partner to the government, consumers, and businesses**

We continuously strive to raise our standards across our value chain and advance the nation towards becoming a digitally savvy society as part of our aspiration to be the nation's trusted partner to the government, consumers, and businesses. We will continue enabling an inclusive, accessible, and safe internet experience for all while advocating for responsible business practices across our value chain. Our combined strengths enable us to impact broader stakeholder groups and deepen our engagements on topics that are most material to them.

These are several partnerships we have established in 2023:

| | | | |
|---|---|---|---|
| CelcomDigi and Time dotcom collaborate to boost fibre accessibility for Malaysians |  | Partnering to safeguard Malaysians online through Jelajah Anti-Scam Kebangsaan Malaysia |  |
| CelcomDigi and DHL Supply Chain reimagine logistics with Malaysia's first 5G powered AI Autonomous Warehouse |  | CelcomDigi and VIRNECT sign MoU to develop experiential industrial Metaverse learning and education |  |
| CelcomDigi partners SoftBank Corp, and SC-NEX under Sumitomo Corporation for cutting edge AI-enabled and robotics solutions |  | CelcomDigi and SK Telecom sign MoU to develop Malaysia's first Metaverse Ecosystem |  |
| CelcomDigi and i-City team up to transform Shah Alam's connectivity landscape |  | CelcomDigi partners Huawei and ZTE for nationwide network integration and modernisation |  |
| Top minds gather for strategic discussions around 5G at CelcomDigi MY5G CEO Roundtable 2023 |  | CelcomDigi and Yinson seal partnership to elevate Malaysia's e-Mobility ecosystem |  |

## Social and Relationship Capital

### Upholding human rights across the value chain

CelcomDigi's human rights policies and principles are aligned with the Universal Declaration of Human Rights (UDHR) and are guided by the United Nations Guiding Principles (UNGP) on Business and Human Rights. Our Sustainability Policy and Business Partner Conduct Principles clearly state our stance against child labour and forced labour. This applies to all partners and vendors who wish to do business with CelcomDigi.

**United Nations Global Compact (UNGC) Young Executives Sustainability Summit 2023**

- In promoting sustainability best practices among young professionals and youth leaders, we contributed approximately RM50,000 to organising the summit.
- As a panellist in the 'Intergenerational Dialogue - Sustainability: Passion or Realism?' forum, we shared perspectives in creating a sustainable future for all.
- We also engaged over 400 aspiring youths with Safe Internet and anti-scam awareness at the summit.



**Implementing Human Rights Due Diligence 2023-2024**

- CelcomDigi's human rights principles are based on international instruments including the UDHR, and the principles concerning fundamental rights in the eight International Labour Organisation (ILO) core conventions as set out in the Declaration on Fundamental Principles and Rights at Work.
- Our principle for respecting human rights is in accordance with the UN Guiding Principles on Business and Human Rights, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the UN Global Compact.
- Leveraging on our human rights due diligence exercise, we continuously assess our human rights risks and impacts on those who work with us and for us.
- This requires continuous improvement and stakeholder dialogue. Conducted biennially, this due diligence will be completed in 2024.

For more information on our approach towards Human Rights, visit
https://celcomdigi.listedcompany.com/human_rights.pdf

### Managing our supply chain responsibly

Our suppliers are crucial to the success of our business, as well as our social and environmental initiatives. We believe that our supply chain presents an exceptional opportunity to enhance business performance, reduce environmental impact, and promote social equality by mitigating human rights and health and safety risks.

In order to maintain these standards, all suppliers and business partners are required to abide by our Business Partner Conduct Principles. They must sign the Agreement of Responsible Business Conduct (ABC) and comply with our guidelines in the areas of Health, Safety, and Security (HSS), ethical conduct, human rights, and environmental management. We also encourage them to act in accordance with our Code of Conduct and human rights principles.

# Social and Relationship Capital

## Managing our supply chain responsibly (Continued)

**Compliance**
We ensure compliance with responsible standards in our procurement process through the implementation of our Integrity Due Diligence (IDD) process prior to engagement and execution of the ABC agreement with each supplier

**Capacity Building**
We require suppliers to undergo periodic training through curated programmes and individual assessments through CelcomDigi Knowledge Assessment Tool (CDKAT) in order for them to understand their responsibilities, build safety-first habits, and promote responsible business practices

**Inspection**
We conduct regular on-site inspections following live monitoring of workers' check-ins and scope of work being done via the CelcomDigi Permit-to-Work app. When a non-compliance practice is found, suppliers are required to respond with corrective action plans within the prescribed timeframe. Suppliers failing to meet the minimum requirements may face serious consequences such as suspension or even termination

**Assessments**
We conduct periodic assessments to ensure our business partners and suppliers adhere to legal and ethical standards and comply with our Business Partner Conduct Principles

For more information on our approach towards Supply Chain management, visit
https://celcomdigi.listedcompany.com/responsible_supply_chain.pdf

| New suppliers who signed the ABC | Total suppliers who have signed the ABC to date | Total supplier training hours |
|---|---|---|
| **242*** | **2,487** | **23,478** |
| (FY2022: 155) | (FY2022: 2,245) | (FY2022: 16,691) |

| Number of inspections conducted | | | Number of findings | |
|---|---|---|---|---|
| Unannounced | Announced | Total | Major | Minor |
| **795** | **10** | **805** | **17** | **84** |
| (FY2022: 504) | (FY2022: 8) | (FY2022: 512) | (FY2022: 11) | (FY2022: 65) |

| Number of suppliers terminated | Number of suppliers suspended | Number of suppliers awarded contracts |
|---|---|---|
| **0** | **1** | **607** local suppliers |
| (FY2022: 0) | (FY2022: 0) | **212** foreign suppliers |
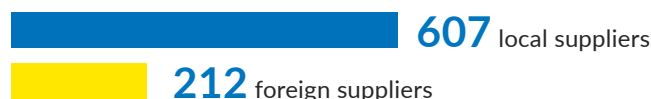
*Note:*

* *Number of new suppliers signing ABC has been independently assured by SIRIM QAS International*

## Social and Relationship Capital

**Empowering societies through nation-building initiatives**

### Digital Safety

We aim to promote responsible digital practices and raise scam awareness across all segments of society, to strengthen digital safety.

### War Against Scams

Online scams and fraud have become more prevalent across the globe as businesses adopt digital transactions. The National Scam Response Centre (NSRC) reported that over RM1.34 billion was lost to scammers in 2023 in Malaysia.

Efforts to accelerate targeted awareness and more effective prevention initiatives include:

- Taskforce to investigate scam encountered by customers and strategise to improve mitigations. The taskforce consists of experts from fraud management, consumer business, sales governance, network strategy, and sustainability
- Centralised scam reporting helpline making it easier for customers to report scams or potentially fraudulent activities
- Dedicated customer service agents offering additional support to customers to report scams
- Scam alerts on the latest modus operandi updated on our website Help Page within 24 hours
- Security enhancements in our apps and subscription flows to strengthen prevention against the threats of scams
- Supporting MCMC and industry efforts to block the sending and receiving of SMS from local and international mobile numbers with potential scam-related URL links

#### S.A.F.E Internet

- **S.A.F.E Internet talk series**
  - S.A.F.E (Smart, Aware, Fortify, and Empathy) is an awareness programme curated mainly for students, low-income, and underserved segments.
  - Held in partnership with UNICEF and UN Refugee Agency (UNHCR).
  - Engaged up to 400,000 people nationwide through on-ground activities and resources.

- **Training-the-trainer (TTT) sessions**
  - Trained representatives among employees, managers in all 307 internet centres managed by CelcomDigi, school teachers, and also refugee community leaders.

- **S.A.F.E Internet webpage**
  - Produced a simplified, easy-to-understand educational resources on staying S.A.F.E online to help us thrive in the digital space.
  - Reached 8 million people online through the social media platform.

#### CelcomDigi Anti-Scam Campaigns

- **Jelajah Anti Scam Kebangsaan (JASK)**
  - Co-organised a nationwide roadshow in collaboration with the Gabungan Bertindak Anti-Scam, Cybersecurity Malaysia, and Malaysian Crime Prevention Foundation.
  - Held seven nationwide Townhalls with over 11,700 people engaged.



- **CelcomDigi, Royal Malaysian Police, and WhosCall #FightAgainstScam campaign**
  - Supported an awareness excursion from Kuala Lumpur to Cameron Highlands involving a 65 rider-convoy in efforts to garner attention to scam awareness.
  - Engaged more than 2,000 people at various pit-stops.

#### Pusat Sebaran Maklumat Nasional (NaDi) formerly known as Pusat Ekonomi Digital (PEDi)

NaDi, under the Universal Service Provision (USP) programme, aims to expand network infrastructure to underserved areas to close the digital divide. We facilitate the operations of NaDi internet centres across Malaysia to provide internet access to support e-learning and the development of digital skills and digital entrepreneurship among local communities. CelcomDigi operates 307 NaDi centres nationwide.

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**Empowering societies through nation-building initiatives (Continued)**

## Digital Empowerment

We are driving digital empowerment for our students by future-proofing them with digital literacy and upskilling.

### Future Skills for All

- A digital learning platform with interactive modules and learning tools that are aligned with the national syllabus on coding and design-thinking.
- The programme has been running since 2019 in collaboration with UNICEF and Arus Academy.
- 44,856* students and trainers (teachers and community leaders) are actively using the platform.

### CelcomDigi Young Digital Innovators Programme

- The programme aims to provide opportunities for students in rural areas and underserved communities to learn coding and robotics.
- Several university lecturers and internet centre managers were trained to engage more schools for the programme.
- Over 1,400 students have been engaged in 2023.

### Siswapreneur Bootcamp

- An annual bootcamp for university students to learn digital entrepreneurship leveraging AI technology.
- Partnered with Google Malaysia to upskill over 7,000 university students.

*Note:*
*    *Total enrolment has been independently assured by SIRIM QAS International*

## Corporate Citizenship

We aim to accelerate digital inclusion, particularly among underserved communities, through various initiatives such as donations, sponsorships, and collaborations with partners to maximise positive impact on society.

### Laptop distribution to schools

Donated over 1,800 computers and laptops to benefit ~500 schools nationwide.

### Provisioning of Fixed Wireless Access (FWAs)

Provisioned 250 units of FWA to provide free internet connectivity to several centres:
- Temporary Evacuation Centres nationwide during floods.
- Correctional centres like Henry Gurney School and Puncak Alam Correctional Centre.
- Suriana Welfare Home.

### Flood preparedness, relief, and recovery

- More than 1.2 million early warning SMSes were sent to potential flood victims.
- Deployed flood relief worth RM300,000 via Malaysian Relief Agency to address severe flooding around the country.
- Funds were used to provide essential items, in addition to setting up mobile clinics.

### CelcomDigi Corporate Raya Celebration

Aided approximately RM50,000 in celebrating special guests from five children shelter:
- Rumah Titian Kasih.
- Pertubuhan Kebajikan Anak-Anak Yatim Al-Nasuha.
- Rumah Amal Limpahan Kasih.
- Lighthouse Children Welfare Home.
- Pusat Jagaan Rumah Juara.

For more information on our approach towards Community Empowerment and Outreach Programmes, visit https://celcomdigi.listedcompany.com/community_empowerment_outreach.pdf